## Message Text

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INFO OCT-01 NEA-10 ISO-00 SS-15 SP-02 NSC-05 CIAE-00 INR-07 NSAE-00 MCE-00 IGA-02 ACDA-12 AID-05 OMB-01 TRSE-00 L-03 /068 W

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P R 120945Z JAN 78 FM AMEMBASSY TEHRAN TO SECSTATE WASHDC PRIORITY 6379 SECDEF WASHDC PRIORITY INFO USCINCEUR

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STATE FOR UNDER SECY FOR SY ASSISTANCE BENSON

PM FOR DIR GELB

DEFENSE FOR SECY BROWN, DEP SECY DUNCAN, ASST SECY FOR ISA MC GIFFERT AND CJCS GEN BROWN

E.O. 11652: GDS TAGS: MASS IR

SUBJ: INCENTIVES FOR CONTRACTORS TO WORK THEM-SELVES OUT OF A JOB

1. I BELIEVE IT INCREASINGLY IMPORTANT TO REACH EARLIEST AGREEMENT IN WASHINGTON AMONG RELEVANT AGENCIES ON SUBJECT. THIS IS REINFORCED BY INTERNATIONAL SECURITY ASSISTANCE ACT OF 1977 (PL 95-92) WHICH EMPHASIZES NEED FOR ADVISORY AND TRAINING ASSISTANCE TO BE PROVIDED BY PERSONNEL DETAILED FOR LIMITED PERIODS TO PERFORM SPECIFIC TASKS. I RECOGNIZE THAT THAT REQUIREMENT COVERS OFFICIAL US PERSONNEL. AT THE SAME TIME, HOWEVER, CONGRESSIONAL INTENT THAT TOTAL NUMBERS OF AMERICANS (OFFICIAL AND

UNOFFICIAL), SHOULD BE AS SMALL AS POSSIBLE, AND THAT WHATEVER THE NUMBER PERSONNEL SHOULD BE HERE FOR CONFIDENTIAL

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LIMITED PERIODS OF TIME WITH FIXED TERMINATION TIEMS SEEMS CLEAR. THIS IS BORNE OUT BY FOCUS OF RECENT STAFFDELS AND CODELS HERE IN THE NUMBERS OF AMERICAN CONTRACTOR PRERSONNEL IN IRAN AND WHETHER THERE IS ANY END IN SIGHT.

2. THE PERFECT TIME TO START WITH INCENTIVE CONTRACTS ACROSS THE BOARD, AS STRESSED IN REFTEL, IS

WITH THE THREE MAJOR CONTRACTS WITH BELL COVERING
THE IRANIAN ARMY AVIATION PROGRAM. WHEN I WAS IN
WASHINGTON IN NOVEMBER THE PRES OF BHI CALLED ON ME AND
SHOWED ME SOME CHARTS WHICH INVOLVE AN UPCURVE THROUGH 1981,
AND THEN GO ON INDEFINITELY. I HAVE DIRECTED THAT INTENSIVE
ADDITIONAL EFFORTS BE MADE BY ALL CONCERNED ON THE US SIDE TO
GET THE BELL PROGRAM IN SOME ORDERLY SHAPE JUST AS QUICKLY AS
POSSIBLE. I HAVE MADE THIS GOAL CLEAR TO BELL, AND EMPHASIZED THAT
I EXPECT THEM TO APPLY AN INTENSIVE EFFORT TOWARDS THAT END ALSO.
THE GOI IS AWARE OF THE DIFFICULTIES FOR WHICH THEY ARE
IN PART RESPONSIBLE), AND ARE ALSO WORKING TO
MAKE THIS A TRULY JOINT EFFORT TO TURN THIS PROGRAM
AROUND.

3. I UNDERSTAND THERE MAY BE SOME RESISTANCE IN SOME QUARTERS IN WASHINGTON TO THE INCENTIVE CONTRACT APPROACH. FRANKLY, I FIND THIS RATHER INCREDIBLE. I BELIEVE THAT WE MUST UTILIZE EVERY POSSIBLE MANAGEMNT TOOL IN A TOTAL EFFORT TOWARDS PUTTING OUR SECURITY ASSISTANCE ACTIVITIES ON THE SOUNDEST AND MOST SENSIBLE BASIS. IF WE DO NOT WE MAY HAVE, FOR EXAMPLE, A CONGRESS UNDERTAKING TO DO IT FOR US THROUGH LEGISLATION THAT COULD MAKE IT HARDER FOR THE EXECUTIVE BRANCH TO DO THE SECURITY ASSISTANCE JOB. SULLIVAN

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